

# D.C. Economic Indicators

June 2004 Volume 4, Number 9

Government of the District of Columbia

Dr. Natwar M. Gandhi, Chief Financial Officer

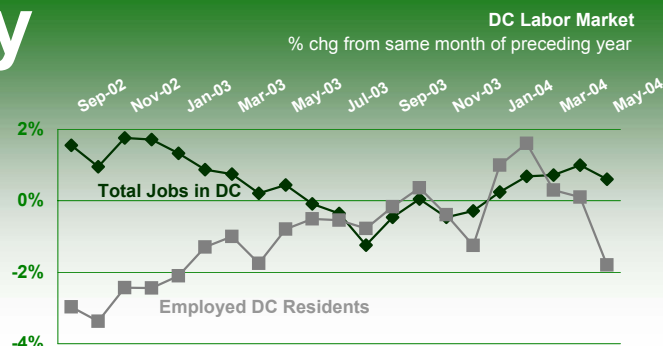
Dr. Julia Friedman, Deputy CFO for Revenue Analysis



## Labor & Industry

➔ Jobs in D.C. for May 2004 up 3,900 (0.6%) from 1 year ago

➔ District resident employment for May 2004 down 4,900 (-1.8%) from 1 year ago



### Labor Market ('000s): May 2004<sup>a</sup>

	D.C.		Metro area	
	Level	1 yr. ch.	Level	1 yr. ch.
Employed residents	275.9	-4.9	2,814.0	83.9
Labor force	296.8	-3.6	2,901.2	70.7
Total wage and salary employment	667.7	3.9	2,895.7	79.3
Federal government	191.6	-1.7	343.5	2.0
Local government	37.4	-0.2	293.6	4.5
Leisure & hospitality	52.3	1.6	248.3	7.9
Trade	21.6	0.3	339.5	14.5
Services	286.9	3.8	1,079.9	35.1
Other private	77.9	0.1	590.9	15.3
Unemployed	20.9	1.3	87.1	-13.2
New unempl. claims (state program)	1.5	-0.2		

Sources: U.S. Bureau of Labor Statistics (BLS) & D.C. Dept. of Employment Services (DOES)

<sup>a</sup> not seasonally adjusted

### Private Employment ('000s): May 2004

	Level	1 yr. change	
		Amt.	%
Manufacturing	2.5	-0.1	-3.8
Construction	13.2	0.6	4.8
Wholesale trade	4.3	-0.2	-4.4
Retail trade	17.3	0.5	3.0
Utilities & transport.	6.3	-0.2	-3.1
Publishing & other info.	24.4	-0.3	-1.2
Finance & insurance	19.6	-0.4	-2.0
Real estate	11.8	0.4	3.5
Legal services	34.8	0.1	0.3
Other profess. serv.	62.7	3.9	6.6
Empl. Serv. (incl. temp)	10.4	-1.0	-8.8
Mgmt. & oth. bus serv.	35.9	0.5	1.4
Education	35.2	0.0	0.0
Health care	52.4	0.8	1.6
Organizations	50.0	0.6	1.2
Accommodations	15.1	0.4	2.7
Food service	31.2	1.4	4.7
Amuse. & recreation	6.0	-0.2	-3.2
Other services	5.5	-1.1	-16.7
<b>Total</b>	<b>438.7</b>	<b>5.8</b>	<b>1.3</b>

Source: BLS. Details may not add to total due to rounding.

### D.C. Hotel Industry<sup>b</sup>

May 2004	Amt.	1 yr. ch.
Occupancy Rate	81.2%	5.1
Avg. Daily Room Rate	\$174.17	\$11.32
# Available Rooms	26,226	487

### Airport Passengers<sup>c</sup>

May 2004	Amt.('000)	1 yr. % ch.
Reagan	1,418.7	10.3
Dulles	1,694.0	16.9
BWI	1,925.8	7.1
<b>Total</b>	<b>5,038.5</b>	<b>11.1<sup>d</sup></b>

<sup>b</sup> Source: Smith Travel Research <sup>c</sup> Source: Metropolitan Washington Airports Authority & Maryland

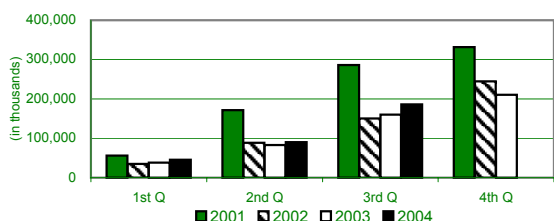
Aviation Administration Authority <sup>d</sup> weighted average

## Revenue

➔ FY 2004 (Oct.-Jun.) business income tax collections up 16.5% from 1 year ago

➔ FY 2004 (Oct.-Jun.) total tax collections up 14.0% from 1 year ago

### Cumulative Business Income Tax Collections by Fiscal Year (Corporation and Unincorporated Business Franchise Taxes)



<sup>a</sup> Adjusted to exclude large one-time events and for changes in processing flows between FYs that distort current underlying economic trends. This does not, therefore, report actual year-over-year revenue growth for the budget.

<sup>b</sup> Includes sales taxes allocated to the Convention Center.

<sup>\*\*\*</sup> Not meaningful due to payment timing or processing factors.

Note: Growth rates in some taxes reflect legislated changes in tax rates.

### Adjusted General Fund Revenue Collections<sup>a</sup>

	year-to-date % change	
	FY 2004 (Oct 03 - Jun 04)	FY 2003 (Oct 02 - Jun 03)
Property Taxes	8.8	20.9
General Sales <sup>b</sup>	9.1	2.9
Individual Income	12.4	-5.0
Business Income	16.5	6.3
Utilities	5.3	20.6
Deed Transfer	54.7	48.3
All Other Taxes	30.4	-17.5
<b>Total Tax Collections</b>	<b>14.0</b>	<b>2.5</b>

#### Addenda:

Indiv. Inc. tax withholding for D.C. residents	6.8	2.8
Sales tax on hotels and restaurants allocated to Convention Center	7.0	7.5

Source: D.C. Office of Tax and Revenue and Office of Revenue Analysis

All data subject to revision.

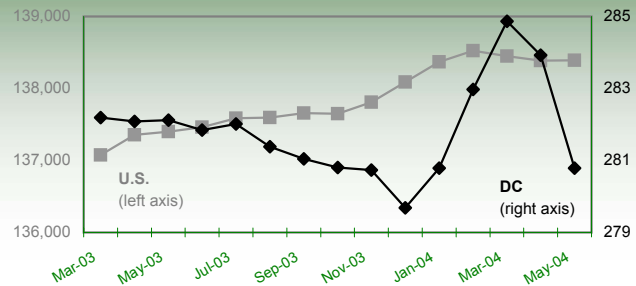
† Indicates data revised by stated source since previous D.C. Economic Indicators.

See past editions at <http://cfo.dc.gov>

# People & Economy

- ➔ D.C. unemployment rate for June: 7.1%, down from 7.5% last month & same as 1 year ago
- ➔ Home mortgage rate for June: 6.3%, same as last month & up from 5.2% 1 year ago

National & Local Employment Levels  
Labor Force Data, Seasonally Adjusted  
3-month moving average  
(in thousands)



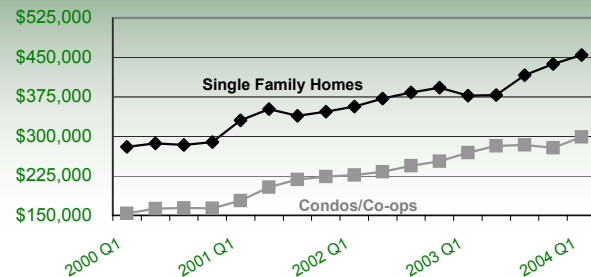
U.S. GDP			CPI			D.C. Population		
Source: BEA			Source: BLS			Source: Census		
	% change for yr. ending			% change for yr. ending			Level	1 yr. ch.
Nominal	1 <sup>st</sup> Q 2004	4 <sup>th</sup> Q 2003	U.S.	May 2004	Mar. 2004	Estimate for:		
Real	6.7	6.0	D.C./Balt. metro area	3.0	1.7	July 1, 2000	571,437	1,224
Personal Income <sup>a</sup>			Unemployment Rate <sup>c</sup>			July 1, 2001	572,716	1,279
Source: BEA			Source: BLS			July 1, 2002	569,157	-3,559
Total Personal Income	1 <sup>st</sup> Q 2004	4 <sup>th</sup> Q 2003	U.S.	Jun. 2004	May 2004	July 1, 2003	563,384	-5,773
U.S.	5.2	4.6	U.S.	5.6	5.6	Components of Change from July 1, 2002		
D.C.	5.1	3.1	D.C.	7.1	7.5	Natural Births	7,910	Total
Wage & Salary Portion of Personal Income			Interest Rates			Deaths	6,164	1,746
U.S.	4.2	3.5	Source: Federal Reserve			Net Migr.	Net Int'l	4,180
Earned in D.C.	4.5	2.9	1-yr. Treasury	2.1	1.8	Net Dom.		
Earned by D.C. res'd <sup>b</sup>	5.2	2.2	Conv. Home Mortgage	6.3	6.3	Net Change <sup>d</sup>		

<sup>a</sup> Nominal <sup>b</sup> estimated <sup>c</sup> seasonally adjusted <sup>d</sup> Includes federal resident employee movement (military/civilian) and the statistical residual

# Housing & Office Space

- ➔ Average single-family home sale price in 1<sup>st</sup> Q 2004 up 30.6% from 1 year ago
- ➔ Office space under construct. in 1<sup>st</sup> Q 2004 up 10.4% from 4<sup>th</sup> Q 2003

Average District Home Sale Prices  
(2-quarter moving average)



Housing Sales			D.C. Housing Permits Issued			D.C. Commercial Office Space		
Source: MRIS <sup>a</sup>			Source: U.S. Census Bureau			Source: Delta Associates		
	4 Qs ending	1 yr. % ch.		4 Qs ending	1 yr. ch.			
Completed contracts	1 <sup>st</sup> Q 2004			1 <sup>st</sup> Q 2004		Vacancy Rate (%)	1 <sup>st</sup> Q 2004	1 qtr. ch.
Single family	5,961	6.7	Total housing units	959	-1,197	Excl. sublet space	5.9	0.3
Condo/Co-op	3,713	13.3	Single family	197	-178	Incl. sublet space	7.1	0.0
Prices (\$000)	1 <sup>st</sup> Q 2004	1 yr. % ch.	Multifamily (units)	762	-1,019	Inventory Status <sup>e</sup>		
Single family			Class A Market Rate Apt. Rentals <sup>d</sup>			1 <sup>st</sup> Q 2004	1 qtr. ch.	
Median <sup>b</sup>	\$330.0	27.0	Source: Delta Associates			Total Inventory	110.3	0.3
Average <sup>c</sup>	\$467.6	30.6	Apartment units currently			Leased space <sup>f</sup>	103.8	-0.1
Condo/Co-op			under construction	3,395	-1,327	Occupied space <sup>g</sup>	102.4	0.2
Median <sup>b</sup>	\$299.0	20.6	Add'l planned units likely			Under construction		
Average <sup>c</sup>	\$328.6 <sup>†</sup>	16.3 <sup>†</sup>	within next 36 months	1,086	-553	or renovation	5.4	0.5

<sup>a</sup> Metropolitan Regional Information System as reported by the Greater Capital Area Association of Realtors <sup>b</sup> Median for Mar. <sup>c</sup> 1<sup>st</sup> quarter average

<sup>d</sup> Investment grade units, as defined by Delta <sup>e</sup> In million square feet <sup>f</sup> Calculated from vac. rate excl. sublet <sup>g</sup> Calculated from vac. rate incl. sublet